

# City of Detroit

## CITY COUNCIL

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TO: Juanita Moore, President & Chief Executive Officer  
Charles H. Wright Museum of African American History

FROM: Irvin Corley, Jr., Fiscal Analysis Director **14.**

DATE: April 29, 2009

RE: 2009-2010 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2009-2010 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Wednesday, May 6, 2009 at 3:00 p.m.** We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

### Attachment

cc: Councilmembers  
Council Divisions  
Auditor General's Office  
Pamela Scales, Budget Department Director  
Joseph Harris, Chief Financial Officer  
Renee Short, Budget Department Team Leader  
Arese Robinson, Mayor's Office

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## Charles H. Wright Museum of African-American History

### FY 2009-2010 Budget Analysis by the Fiscal Division

#### Background

The Charles H. Wright Museum of African-American History is a nonprofit corporation that documents, preserves and educates the public on the history, life and culture of African Americans. Founded in 1965 by Dr. Charles H. Wright, the Museum serves as a resource center providing quality educational programs and exhibitions documenting the horror of slavery, the struggle for freedom, and the civil rights movement.

In 1999, the City entered into a long-term operating agreement with the Museum to manage and operate the facility, which also includes management and maintenance of the artifacts collection and presentation of exhibitions and other events. The Museum acts as an independent contractor of the City and, as such, has full authority to discharge its duties without restrictions, except for those imposed by the agreement. Under the terms of the agreement, the Museum petitions the city for operating funds each year.

The Museum receives operating fund from paid admissions, memberships, facility rentals, catering, store sales, special events, private contributions, and City's grants.

#### Summary

The Mayor's 2009-2010 Proposed Budget recommends a total contribution of \$1.7 million to the Museum, a decrease of \$3.2 million (65.1%) from the City's fiscal year 2008-2009 contribution of \$4.9 million.

#### Significant Changes in Funding by Appropriation

<u>Appro.</u>	<u>Program</u>	
05414	Museum of African American History — Operations	The Mayor's recommended budget of \$1.7 million for fiscal year 2009-2010 is \$2.3 million less than the fiscal year 2008-2009 Budget.
12699	Museum of African American History- GO Bonds 08-09	The current year's budget includes \$955,000 in bond sales. The 2009-2010 does not include bond sales.

## Museum Operations

The Museum is open on the following days: Tuesday through Saturday from 9:00 a.m. to 5:00 p.m. and on Sunday from 1:00 p.m. to 5:00 p.m. The Museum has a total of 49 employees, 32 full time and 17 part time with two vacant full time positions and one vacant part time position.

The fiscal year 2010 Preliminary Budget Forecast section of the Museum's Budget Request includes \$6,250,000 in revenues, \$6,250,000 in expenditures, with no surplus or deficit. The revenue includes a subsidy request of \$2,500,000 from the City. The Mayor's recommended budget includes an operating subsidy of \$1,657,500, which is \$842,500 less than the subsidy requested amount from the Museum.

## 2008-2009 Surplus/(Deficit)

The Museum anticipates a deficit for fiscal year 2008-2009 of \$217,180, which is composed of \$5,677,061 in revenue and \$5,894,241 in expenditures.

## **Issues and Questions: Charles Wright Museum of African American History (MAAH)**

1. What is the Charles Wright Museum of African American History (MAAH) staff doing to increase its revenue, such as the membership base?
2. What is the MAAH doing to build awareness of its rental facilities?
3. Has the Museum ever considered forming a partnership or alliance with one of the financial institutions or credit unions to offer discounted rates to its members or customer base? For example, DFCU Financial Credit Union has an alliance with the Henry Ford Museum (Greenfield Village). When a new customer opens an account, the staff member references the Greenfield Village and the discounts offered by being a member of the Credit Union.
4. The Mayor's general fund subsidy for the MAAH for FY 2009-2010 has decreased by \$2.3 million. What impact will that potentially have on the Museum?
5. What is the MAAH doing to keep expenditures down?
6. How often does the MAAH monitor its budget?
7. Does the Museum expect to receive any Federal Stimulus funds? If so, what will the funding be used for?
8. Please provide a copy of your current year's operating budget and 2009-10 operating budget.